## 2014 Estimated Costs and Returns per Acre

**Herbicide Resistant Corn - Reduced Tillage** - 500 Acres  
**Central Texas Extension District - 8**

### Crop Acres

<table>
<thead>
<tr>
<th>Crop Acres</th>
<th>500</th>
</tr>
</thead>
</table>

### REVENUE

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Units</th>
<th>$/Unit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>90.00</td>
<td>$4.82</td>
<td>$433.80</td>
</tr>
</tbody>
</table>

**Total Revenue**  
$433.80  
$216,900.00

### VARIABLE COSTS

#### Production Costs

- **Seed**
  - Herbicide Resistant Corn Seed
    - 1 Acre  
    - $70.00   
    - $35,000.00
  - Fertilizer
    - Fertilizer - N, P, Zinc, S
      - 1 Acre  
      - $85.00   
      - $42,500.00

- **Herbicide**
  - Herbicide, Atrazine
    - 2 Pound  
    - $2.88   
    - $5.76   
    - $2,880.00
  - Corn Herbicide
    - 22 Ounce  
    - $0.24   
    - $5.28   
    - $2,640.00
  - Weed Burndown
    - 22 Ounce  
    - $0.24   
    - $5.28   
    - $2,640.00

- **Insecticide**
  - Corn Insecticide
    - 1 Acre  
    - $14.41   
    - $14.41   
    - $7,205.00

- **Miscellaneous**
  - Insurance - Corn 70% CRC
    - 1 Acre  
    - $11.00   
    - $11.00   
    - $5,500.00
  - Custom
    - Liquid Fertilizer Rig
      - 1 Acre  
      - $4.00   
      - $4.00   
      - $2,000.00
  - Machinery Labor
    - Custom Grain Haul
      - 90 Bushel  
      - $0.17   
      - $15.30   
      - $7,650.00
  - Diesel Fuel
    - Tractors/Self-Propelled
      - 0.65 Hour  
      - $10.00   
      - $6.50   
      - $3,250.00
  - Gasoline
    - Tractors/Self-Propelled
      - 5.59 Gallon  
      - $2.65   
      - $14.81   
      - $7,406.75
  - Repairs & Maintenance
    - Pickup/General Use Equipment
      - 1 Acre  
      - $4.10   
      - $4.10   
      - $2,047.50
    - Tractors/Self-Propelled
      - 1 Acre  
      - $6.62   
      - $6.62   
      - $3,310.99
    - Implements
      - 1 Acre  
      - $4.18   
      - $4.18   
      - $2,087.89
  - Interest on Credit Line
    - 4.75%  
    - $5.25   
    - $2,625.63

**Total Variable Costs**  
$258.16  
$129,079.77

### Fixed Costs

- **Machinery Depreciation**
  - Pickup/General Use Equipment
    - 1 Acre  
    - $0.70   
    - $0.70   
    - $348.60
  - Tractors/Self-Propelled
    - 1 Acre  
    - $9.31   
    - $9.31   
    - $4,652.75
  - Implements
    - 1 Acre  
    - $6.89   
    - $6.89   
    - $3,447.49

- **Equipment Investment**
  - Pickup/General Use Equipment
    - $8.40 Dollars  
    - 6.00%   
    - $0.50   
    - $252.00
  - Tractors/Self-Propelled
    - $121.18 Dollars  
    - 6.00%   
    - $7.27   
    - $3,635.39
  - Implements
    - $62.42 Dollars  
    - 6.00%   
    - $3.75   
    - $1,872.55

- **Corn Land Rent**
  - 1 Acre  
  - $50.00   
  - $50.00   
  - $25,000.00

**Total Fixed Costs**  
$336.58  
$168,288.55

### Planned Returns Above Variable Costs:

- $175.64  
- $87,820.23

### Breakeven Price to Cover Variable Costs

- $2.87 Bushel  
- $48,611.45

### Breakeven Price to Cover Total Costs

- $3.74 Bushel

### Example Breakeven Prices

<table>
<thead>
<tr>
<th>Example Yield</th>
<th>Percent</th>
<th>Price Needed to Cover Example Variable Costs</th>
<th>Price Needed to Cover Example Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td>67.50</td>
<td>$3.82</td>
<td>$4.99</td>
</tr>
<tr>
<td>90%</td>
<td>81.00</td>
<td>$3.19</td>
<td>$4.16</td>
</tr>
<tr>
<td>100%</td>
<td>90.00</td>
<td>$2.87</td>
<td>$3.74</td>
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<tr>
<td>110%</td>
<td>99.00</td>
<td>$2.61</td>
<td>$3.40</td>
</tr>
<tr>
<td>125%</td>
<td>112.50</td>
<td>$2.29</td>
<td>$2.99</td>
</tr>
</tbody>
</table>

Developed by Jason Johnson, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

*Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.*